

ASSESSMENT ENGINEER'S REPORT

Prepared for the

CITY OF SAN DIEGO

**Northwest Otay Mesa
Maintenance Assessment District**

Annual Update for Fiscal Year 2005

under the provisions of the

**San Diego Maintenance Assessment District Ordinance
of the San Diego Municipal Code**

and

**Landscape and Lighting Act of 1972
of the California Streets and Highways Code**

Prepared by

**BOYLE ENGINEERING CORPORATION
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May 2004

CITY OF SAN DIEGO

Mayor

Dick Murphy

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Scott Peters District 1	Brian Maienschein District 5
Michael Zucchet District 2	Donna Frye District 6
Toni Atkins District 3	Jim Madaffer District 7
Charles Lewis District 4	Ralph Inzunza, Jr. District 8

City Manager

P. Lamont Ewell

City Attorney

Casey Gwinn

City Clerk

Charles G. Abdelnour

City Engineer

Frank Belock

Assessment Engineer

Boyle Engineering Corporation

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Assessment Engineer's Report

Northwest Otay Mesa

Maintenance Assessment District

Preamble

Pursuant to the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscape and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"), in connection with the proceedings for the NORTHWEST OTAY MESA MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as "District"), BOYLE ENGINEERING CORPORATION, as Assessment Engineer to the City of San Diego for these proceedings, submits herewith this report for the District as required by California Streets and Highways Code Section 22565.

FINAL APPROVAL, BY RESOLUTION NO. _____ ,
ADOPTED BY THE CITY COUNCIL OF THE CITY OF SAN
DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, ON THE
_____ DAY OF _____, 2004.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

Executive Summary

Project: Northwest Otay Mesa
Maintenance Assessment District

Apportionment Method: Equivalent Benefit Unit (EBU)

	FY 2004	FY 2005 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Total Parcels Assessed:	1,951	2,452	--
Total Estimated Assessment:	\$445,179	\$554,597	--
<i>Zone 1</i>	\$416,600	\$519,206	--
<i>Zone 2</i>	\$14,635	\$17,961	--
<i>Zone 3</i>	\$13,944	\$17,430	--
Total Number of EBUs:	7,459.43	7,429.42	--
<i>Zone 1</i>	6,409.23	6,390.05	--
<i>Zone 2</i>	585.40	574.57	--
<i>Zone 3</i>	464.80	464.80	--
Assessment per EBU:			
<i>Zone 1</i>	\$65.00	\$81.25	\$129.27 ⁽³⁾
<i>Zone 2</i>	\$25.00	\$31.25	\$144.65 ⁽³⁾
<i>Zone 3</i>	\$30.00	\$37.50	\$193.46 ⁽³⁾

⁽¹⁾ FY 2005 is the City's Fiscal Year 2005, which begins July 1, 2004 and ends June 30, 2005. Total Parcels Assessed, Total Estimated Assessment, and Total Number of EBUs may vary from prior fiscal year values due to parcel changes and/or land use re-classifications.

⁽²⁾ Maximum Authorized annual amounts subject to cost indexing provisions set forth in this Assessment Engineer's Report.

⁽³⁾ Fiscal Year 2004 maximum authorized annual assessment increased by cost indexing factor of 3.35%.

Proposition 218 Compliance: The District was engineered in 1999 in compliance with Proposition 218. By a ballot proceeding, majority property owners approved Fiscal Year 2000 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost indexing.

Annual Cost Indexing: An increase of assessments, under authority of annual cost indexing provisions, is required for Fiscal Year 2005.

Bonds: No bonds will be issued in connection with this District.

Background

The Otay Mesa Planning Area is located between the City of Chula Vista and the United States-Mexico border, east of Interstate 805. The California Terraces, Dennery Ranch, Hidden Trails, Remington Hills and Robinhood Ridge developments comprise the majority of the developable land in the northwestern portion of the Otay Mesa Planning Area.

In 1999, the City of San Diego (City) retained Boyle Engineering Corporation (Boyle) to prepare an Assessment Engineer's Report for the formation of the Northwest Otay Mesa Maintenance Assessment District (District). By a mail ballot proceeding, property owners approved the formation of the District. The Assessment Engineer's Report proposed Fiscal Year 2000 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost indexing of the maximum authorized assessments.

The improvements comprising the District generally consist of landscaped and paved medians, native and revegetated open spaces, parks, hardscape features (sidewalks, curbs, gutters, etc.) and landscaped parkways. The purpose of the District is to provide for the maintenance of these improvements.

District Proceedings for Fiscal Year 2005

This District is authorized and administered under the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscape and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIII D of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"). This report has been prepared in compliance with Assessment Law.

The purpose of the proposed proceedings and this Assessment Engineer's Report is to update the District budget and assessments for Fiscal Year 2005. The Fiscal Year 2005 assessments proposed within

this Assessment Engineer's Report represent an increase from the previous year's assessments. This increase is under authority of annual cost indexing provisions approved by the voters, or within previously approved maximum authorized assessment limits. Therefore, the vote requirements of Section 4 of Article XIID do not apply to these proceedings.

A public hearing will be scheduled where public testimony will be heard by the Council, and the Council may, at its discretion, adopt a resolution ordering the levying of the proposed assessments.

Bond Declaration

No bonds will be issued in connection with this District.

District Boundary

The Boundary Map & Assessment Diagram for the District are on file in the Maintenance Assessment Districts section of the Park and Recreation Department of the City of San Diego and by reference are made a part of this report. The Boundary Map and Assessment Diagram for the District are available for public inspection during normal business hours. The District boundary, zone boundaries, and improvements are depicted in Exhibit A.

Project Description

The project to be funded by the assessments is the maintenance of specified landscaped and paved medians, landscaped and paved right-of-ways, landscaped slopes, natural open space areas, gutters, and parks. The approximate locations of the improvements to be maintained by the District are depicted in Exhibit A.

The District has been sub-divided into three (3) zones as shown in Exhibit A. Parcels within each zone have been assessed for the maintenance of the improvements on the streets, open space and public landscape maintenance easement areas located within the zone. The approximate quantity of maintenance elements within each zone is as follows:

- ◆ **Zone 1** (includes California Terraces, Dennery Ranch and Hidden Trails developments): 1.73 acres of landscaped median, 0.71 acres of paved

median, 14.11 acres of landscaped right-of-way, 3.98 acres of paved right-of-way, 10.57 acres of landscaped slope, 291.58 acres of natural open space, 28,700 linear feet of gutter, and 38.6 acres of neighborhood and community parks.

- ◆ **Zone 2** (includes Robinhood Ridge development): 3.86 acres of landscaped right-of-way and 67.25 acres of natural open space.
- ◆ **Zone 3** (includes Remington Hills development): 3.43 acres of landscaped right-of-way, 0.62 acres of paved right-of-way, 1.83 acres of landscaped slope, 37.70 acres of natural open space, and 5,000 linear feet of gutter.

Maintenance activities include, but are not limited to, turf mowing and edging, irrigation, gutter sweeping, collection and disposal of fallen branches and trees, revegetation and replacement of damaged plant material, tree and bush trimming, fertilizing, weeding, ongoing inspection and repairs. It should be noted that the estimated maintenance quantities and costs associated with each zone are based on current development plans; future adjustments may be required at the time of actual development.

The engineering drawings for the improvements to be maintained by the District are on file at Map Records in the City Engineer's office and are incorporated herein by reference. The specifications for maintenance to be performed will be contained in a future City contract and will be consistent with City standards on file with the Park and Recreation Department. Detailed maps depicting the location and type of improvements to be maintained will be on file with the Park and Recreation Department. The maps and specifications for maintenance will be available for public inspection during normal business hours.

Separation of General and Special Benefits

Consistent with City policy for the public at large, the City will provide the District with annual contributions from the Gas Tax Fund for median maintenance (18.6¢ per square foot of landscaped median and 1.34¢ per square foot of hardscaped median) and from the Environmental Growth Fund for open space maintenance (\$26.63 per acre). These allocations are considered to be a "general benefit" administered by the District. All other maintenance, operation, and administrative costs, which exceed the City's contribution to the public at large, are "special benefits" funded by the District.

Cost Estimate

Estimated Costs

Estimated Fiscal Year 2005 annual expenses, revenues, reserves, and assessments (provided by the City) are included as Exhibit B and are summarized in Table 1:

TABLE 1: Estimated Annual Costs

	FY 2004	FY 2005 ⁽¹⁾
Costs to be Assessed:	\$206,265	\$554,597
<i>Zone 1</i>	\$198,161	\$519,206
<i>Zone 2</i>	\$4,008	\$17,961
<i>Zone 3</i>	\$4,096	\$17,430

⁽¹⁾ FY 2005 is the City's Fiscal Year 2005, which begins July 1, 2004 and ends June 30, 2005.

Annual Cost Indexing

With the passage of Proposition 218, any proposed increase in assessments must be placed for approval before the property owners by a mail ballot and a public hearing process, similar to these proceedings. A majority of ballots received must be affirmative for the City Council to confirm and levy the increased assessments. For small assessment districts or districts with relatively low dollar assessments, the cost of an engineer's report, balloting, and the public hearing process can potentially exceed the total cost of the increase. These incidental costs of the proceedings can be added to the assessments, resulting in even higher assessments.

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U), as approved by the District property owners in Fiscal Year 2000, allows for minor increases for normal maintenance and operating cost escalation without incurring the costs of the Proposition 218 ballot proceedings. Any significant change in the assessment initiated by an increase in service provided or other significant changes to the District would still require the Proposition 218 proceedings and property owner approval.

The maximum authorized assessment established in the Fiscal Year

2000 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. Fiscal Year 2001 was the first year authorized for such indexing. It has been determined that an increase of assessments, as authorized by the cost indexing provisions, is required for Fiscal Year 2005.

Method of Apportionment

Estimated Benefit of Improvements

The Transportation Element of the City's General Plan and the general policy recommendations found in the Otay Mesa Community Plan establish several goals for the community's transportation system. The improvements being maintained by this District are consistent with the plans' goals for safety and pleasing aesthetics.

The major and arterial streets within the District are the backbone of the street network within the community. They serve as the primary access routes for inter-community and intra-community trips. The collector/neighborhood streets within the District serve as the primary access routes to and from the major and arterial streets for parcels within a neighborhood.

The District has been sub-divided into three (3) zones as shown in Exhibit A. Parcels within each zone have been assessed for the maintenance of the improvements on the streets, open space and public landscape maintenance easement areas located within the zone.

Apportionment Methodology

The total assessment for a given parcel is equal to the parcel's total EBUs multiplied by the Unit Assessment Rate (unique to the zone in which parcel is situated) as shown in the following equation:

$\text{Total Assessment} = \text{Total EBUs} \times \text{Unit Assessment Rate}$
--

Equivalent Benefit Units (EBUs)

EBUs for each parcel have been determined as a function of two factors, a Land Use Factor and a Benefit Factor, related as shown in the following equation:

$\text{EBUs} = (\text{Acres or Units}) \times \text{Land Use Factor} \times \text{Benefit Factor}$
--

Each of these factors are discussed below.

Land Use Factor

Since the improvements to be maintained by the District are primarily associated with the Transportation Element of the General and Community Plans, trip generation rates for various land use categories (as previously established by the City's Transportation Planning Section) have been used as the primary basis for the development of Land Use Factors. While these trip generation rates strictly address only vehicular trips, they are also considered to approximately reflect relative trip generation for other modes of transportation (e.g., pedestrian trips, bicycle trips, etc.), and are considered the best available information for these other transportation modes.

The special benefits of the improvements maintained by the District are linked to trip generation primarily by the public safety and aesthetic enhancement enjoyed by travelers through the community. Trip generation rates provide the required nexus and basis for assigning ratios of maximum potential benefit to the various land use/zoning classifications as defined by the City's Municipal Code.

Land use/zoning classifications have been grouped with averaged trip generation rates assigned to establish the Land Use Factors as shown in Table 2.

TABLE 2: Land Use Factors

Land Use/Zoning	Code	Land Use Factor
Residential – Single Family (detached)	SFD	1.0 per dwelling unit
Residential – Condominium	CND	0.7 per dwelling unit
Residential – Multi-Family & Apartment	MFR	0.7 per dwelling unit
Commercial – Office & Retail	COM	45.0 per acre
Educational – Primary & Secondary	EPS	5.0 per acre
House of Worship	CRH	2.8 per acre
Industrial	IND	15.0 per acre
Open Space (designated)	OSP	0 per acre
Park – Developed	PKD	5.0 per acre
Park – Undeveloped	PKU	0.5 per acre

Designated Open Space serves primarily to preserve natural landscape and habitat. While access for study and passive recreation is sometimes permitted, these activities are usually allowed only to the limited extent consistent with the primary purpose of natural preservation. Since this land is essentially “unused” in the customary terms of land use (which relate to human use, not use by nature), the trip generation rate is zero. Therefore, the designated Open Space receives no benefit from the Transportation Element and has been assigned a Land Use Factor of zero.

Benefit Factor

The Land Use Factor described above reflects the relative intensity of use (or potential use) of the various parcels of land to be assessed. It does not address the relationship of this use to the specific improvements to be maintained by the District. This relationship is reflected in the Benefit Factor utilized in the assessment methodology.

In determining the Benefit Factor for each land use category, the subcomponents of the benefits of District improvements considered may include some or all of the following: public safety, view corridors and aesthetics, enhancement of community identity, drainage corridors, and recreational potential. As Benefit Factors

and their subcomponents are intended to reflect the particular relationships between specific land uses within a district and the specific improvements maintained by the district, Benefit Factors will generally vary from one district to another, based on the specific character and nature of the applicable land uses and improvements maintained.

The applicable benefit subcomponents and resultant composite Benefit Factors determined for the various Land Use/Zoning categories within this District are as shown in Table 3.

TABLE 3: Benefit Factors by Land Use

Land Use/Zoning	Public Safety (max. 0.4)	Aesthetics (max. 0.6)	Composite Benefit Factor (max. 1.0)
Residential – All	0.4	0.6	1.0
Commercial – Office & Retail	0.4	0.3	0.7
Educational – Primary & Secondary	0.4	0.3	0.7
House of Worship	0.4	0.3	0.7
Industrial	0.4	0.3	0.7
Open Space (designated)	0.4	0	0.4
Park – Developed	0.4	0	0.4
Park – Undeveloped	0.4	0	0.4

Public Safety. All land uses are considered to receive the maximum available benefit from the public safety element of District improvements. Public safety is essential to all land uses, and even to lands, such as designated Open Space, held in stewardship with only incidental human use.

Aesthetics. The degree of benefit received from the aesthetic qualities of landscaped and hardscaped roadway medians and rights-of-way maintained by the District varies among land use categories. Generally, by nature of their use, residential lands receive the greatest benefit from the reduced traffic congestion, reduced noise levels, greater separation from traffic and generally more tranquil environment provided by landscaped and hardscaped roadway medians and rights-of-way. Commercial, industrial and institutional uses, on the other hand, often thrive on higher

densities, greater traffic access, and a higher level of activity in the vicinity of their enterprises. These uses, accordingly, receive a lesser degree of benefit from the general insulation and separation provided by the aesthetic elements of District improvements.

Lands in the Open Space category are considered to receive no significant benefit from the aesthetic elements of District improvements, as enhanced aesthetic quality of other lands in the vicinity does not affect their function, use, or value. Lands in the Park category are considered to receive no significant benefit from the aesthetic elements of District improvements, as the aesthetic values of these lands are themselves so high that they are little enhanced by those of other lands in their vicinity.

Unit Assessment Rate

As previously mentioned, all parcels have been assessed for the maintenance of improvements located within their respective zone. The Unit Assessment Rate (rate per EBU) for a given zone is equal to the total zone maintenance cost divided by the total zone EBUs:

$$\text{Unit Assessment Rate} = \text{Total Zone Maintenance Cost} / \text{Total Zone EBUs}$$

As described above, the total assessment assigned to each parcel in the District has been calculated, based on the preceding factors, as follows:

$$\text{Total Assessment} = \text{Total EBUs} \times \text{Unit Assessment Rate}$$

Based on the above formula, the EBUs, unit assessment rate, and total assessment calculated for each property, can be found in the Assessment Roll (Exhibit C).

Summary Results

The District boundary, zone boundaries, and improvements are shown in Exhibit A.

An estimate of the costs of the improvements provided by the District is included as Exhibit B to this report.

The assessment methodology utilized is as described in the text of this report. Based on this methodology, the EBU's and Fiscal Year 2005 District assessment for each parcel were calculated and are shown in the Assessment Roll (Exhibit C).

Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number on the Assessment Roll and the Boundary Map and Assessment Diagram referenced herein. The net assessment for each parcel for Fiscal Year 2005 can be found on the Assessment Roll.

This report has been prepared and respectfully submitted by:

BOYLE ENGINEERING CORPORATION

Eugene F. Shank, PE C 52792

David R. Spencer, EIT CA 109078

I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the Assessment as shown on the Assessment Roll, together with the Assessment Diagram, both of which are incorporated into this report, were filed in my office on the _____ day of _____, 2004.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

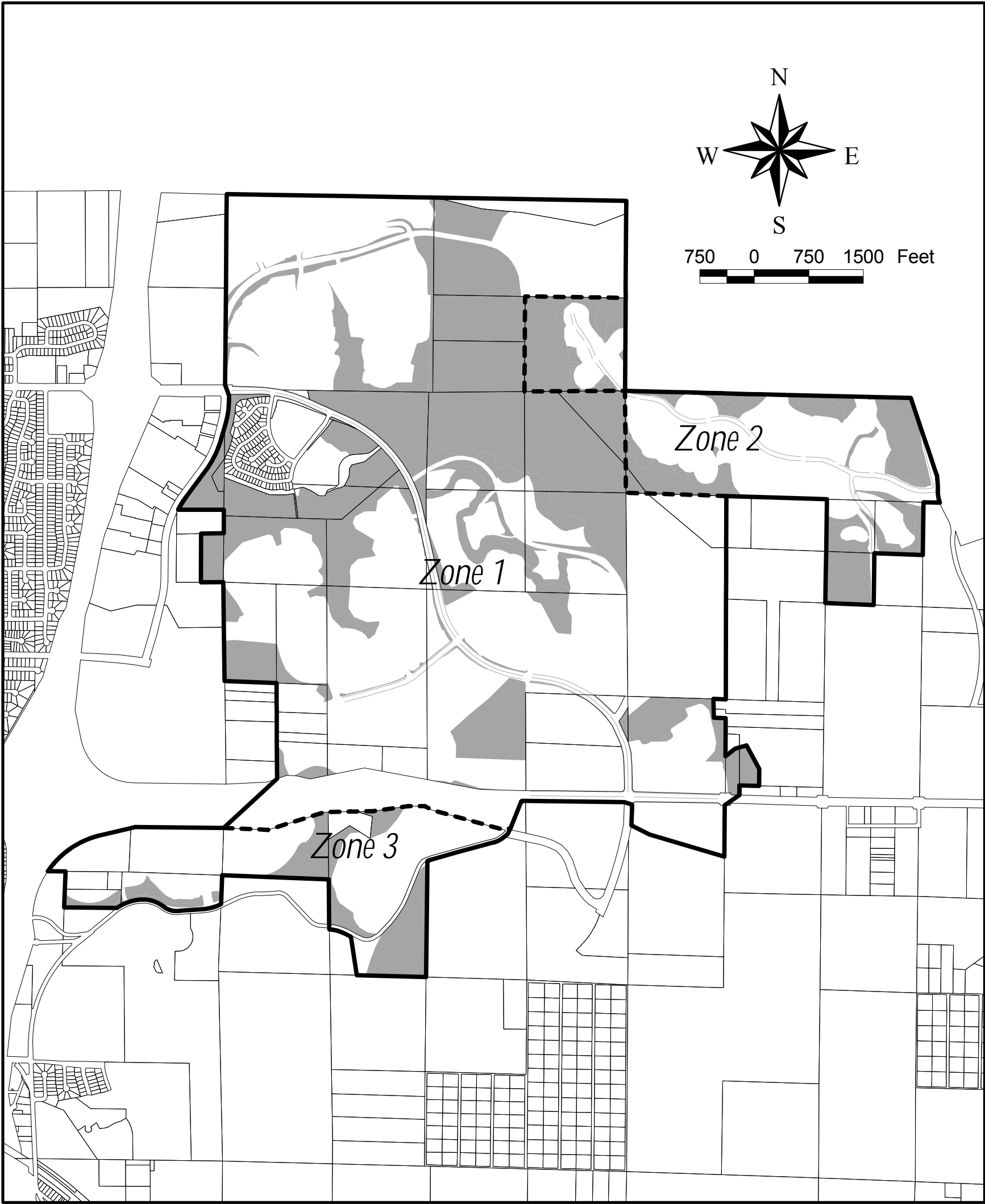
I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the assessment diagram incorporated into this report, was approved and confirmed by the CITY COUNCIL of said City on the _____ day of _____, 2004.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

I, _____, as SUPERINTENDENT OF STREETS of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the assessment diagram was recorded in my office on the _____ day of _____, 2004.

SUPERINTENDENT OF STREETS
CITY OF SAN DIEGO
STATE OF CALIFORNIA


EXHIBIT A





NOTE


1. This map is for exhibit purposes only. Please refer to the Northwest Otay Mesa Maintenance Assessment District Boundary Map on file at the City.
2. Each lot or parcel on this map has been identified by the County Assessor's Parcel Number in the Assessment Roll contained in the Engineer's Report.
3. For a detailed description of the lines and dimensions of lots or parcels shown on this map, refer to the County Assessor's Maps which shall govern with respect to all details concerning the lines and dimensions of such lots or parcels.

LEGEND

 District Boundary

 Zone Boundary

 Parcel Lines

 Improvements

CITY OF SAN DIEGO / NORTHWEST OTAY MESA MAINTENANCE ASSESSMENT DISTRICT

EXHIBIT A - District Boundary, Zones & Improvements

EXHIBIT B

EXHIBIT B - Estimated Annual Expenses, Revenues & Reserves
Northwest Otay Mesa Maintenance Assessment District

	FY 2003 ESTIMATE	FY 2004 ESTIMATE	FY 2005 PROPOSED
BEGINNING BALANCE AND RESERVE			
Beginning Balance	\$ 43,033	\$ 233,179	\$ 201,405
Prior Year Encumbrances	\$ -	\$ -	\$ -
TOTAL BALANCE	\$ 43,033	\$ 233,179	\$ 201,405
REVENUE			
Assessments	\$ 198,797	\$ 445,179	\$ 554,597
Interest	\$ 5,061	\$ 8,664	\$ 9,097
Environmental Growth Fund	\$ -	\$ 3,588	\$ 10,890
Gas Tax Fund	\$ 13,555	\$ 13,555	\$ 14,431
General Fund	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 217,413	\$ 470,986	\$ 589,015
TOTAL BALANCE AND REVENUE	\$ 260,446	\$ 704,165	\$ 790,420
EXPENSE			
CAPITAL IMPROVEMENTS PROGRAM	\$ -	\$ -	\$ -
OPERATING EXPENSE			
Personnel	\$ 2,379	\$ 36,742	\$ 59,882
Contractual	\$ -	\$ 326,700	\$ 369,035
Incidental	\$ 24,874	\$ 59,318	\$ 65,822
Utilities	\$ 14	\$ 80,000	\$ 92,955
TOTAL OPERATING EXPENSE	\$ 27,267	\$ 502,760	\$ 587,694
TOTAL EXPENSE	\$ 27,267	\$ 502,760	\$ 587,694
RESERVE			
Contingency Reserve	\$ -	\$ -	\$ 202,726
TOTAL RESERVE	\$ -	\$ -	\$ 202,726
BALANCE	\$ 233,179	\$ 201,405	\$ -
TOTAL EXPENSE, RESERVE AND BALANCE	\$ 260,446	\$ 704,165	\$ 790,420

EXHIBIT C

Due to the size of the Assessment Roll (Exhibit C), only limited copies are available. Please contact the City of San Diego, Park & Recreation Department, Open Space Division, Maintenance Assessment Districts Program at (619) 685-1350 to review the Assessment Roll.